

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)

PREAMBLE

<u>1. Sections Affected</u>	<u>Rulemaking Action</u>
R9-22-109	Repeal
R9-22-901	Repeal
R9-22-902	Repeal
R9-22-903	Repeal
R9-22-904	Repeal
R9-22-905	Repeal
R9-22-906	Repeal
R9-22-907	Repeal
R9-22-908	Repeal
R9-22-909	Repeal

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: ARS § 36-2903.01(F)

Implementing statute: ARS § 36-2903.01(B)(3)

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Docket Opening: 12 A.A.R. (page #), August 4, 2006

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

The proposed rule provides current regulations for processing and finding erroneous Medicaid payments due to eligibility and recipient liability errors as detected through the Medicaid Eligibility Quality Control (MEQC) program. These processes are required in an Intergovernmental Agreement (IGA) and not in rule, therefore the MEQC related proposed rules are to be repealed.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on in its evaluation of or justification for the rule or proposes not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The Administration foresees a minimal impact since the processes are not changed, the rules being repealed are addresses in an IGA between the Department and the Administration.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

Proposed rule language will be available on the AHCCCS website www.azahcccs.gov the week of July 31, 2006. Please send written comments to the above address by 12:00 p.m., September 18, 2006. E-mail comments will be accepted.

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: September 18, 2006
Time: 10:00 a.m.
Location: AHCCCS
701 East Jefferson
Phoenix, AZ 85034
Nature: Public Hearing

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
110 South Church, Suite 1360
Tucson, AZ 85701
Nature: Public Hearing

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
3480 East Route 66
Flagstaff, AZ 86004
Nature: Public Hearing

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

ADMINISTRATION

ARTICLE 1. DEFINITIONS

Section

R9-22-109. ~~Quality Control Related Definitions~~ Repealed

ARTICLE 1. DEFINITIONS

R9-22-109. ~~Quality Control Related Definitions~~ Repealed

~~"Active case" means an individual or family case determined eligible for AHCCCS medical coverage.~~

~~"Annual assessment period" means the 12 month period, October 1 through September 30, and includes two six month sample periods (October through March and April through September).~~

~~"Annual assessment period report" means the Administration's report containing the annual error rates for the Random Sample, Target Sample, and Negative Case Action Sample.~~

~~"Case" means an individual or family determined eligible or ineligible for AHCCCS medical coverage.~~

~~"Case record" means an individual or family file retained by the Department which contains all pertinent eligibility information, including electronically stored data.~~

~~"Case review" means the Administration's evaluation of an individual's or family's circumstances and case record in a review month to determine if an individual or family is eligible based on the actual circumstances verified for the action taken in a review month for AHCCCS.~~

~~"Corrective action plan" means a effective plan developed by the Department to reduce the Department's error rate when an error rate exceeds a tolerance level.~~

~~"District" means the Department's management unit based on geographical location that administers the eligibility programs.~~

~~"Error" means a review finding in which one or more members is found to be factually ineligible, approved for a program with more services under Title XIX than an applicant or member is entitled to, or discontinued or denied when a member is factually eligible in a review month. An error may include misclassification resulting in additional expenses or liability to the Administration or loss of AHCCCS medical coverage for the applicant or member.~~

~~"Finding" means a result based on the Administration's review.~~

~~"Management evaluation review" means the process by which the Administration determines whether the Department meets specific performance measures.~~

~~"Notice of Findings" means a report provided to the Department by the Administration when a review is completed.~~

~~"Performance measures" means the methods by which the Administration determines the extent to which the Department meets the pre-determined standards and goals.~~

~~"Preponderance of evidence" means the greater weight of evidence.~~

~~"Random sample" means a representative population with each case having an equal chance of being chosen, having no specific pattern, purpose, organization, or structure other than as defined by case characteristic.~~

~~"Review period" means the April through September and October through March time periods that the Administration selects and completes a review of case records.~~

~~"Summary report" means the Administration's report issued at the end of each six month review period summarizing all review findings including eligibility errors, technical errors, administrative deficiencies, and corrective action requirements.~~

~~"Tolerance level" means the percentage of errors which the Administration accepts.~~

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

ADMINISTRATION

ARTICLE 9. ~~QUALITY CONTROL~~ Repealed

Section

R9-22-901. ~~General Information~~ Repealed

R9-22-902. ~~Pre-Determination Quality Control (PDQC)~~ Repealed

R9-22-903. ~~Random Sample~~ Repealed

R9-22-904. ~~Targeted Sample~~ Repealed

R9-22-905. ~~Negative Case Action Sample~~ Repealed

R9-22-906. ~~Management Evaluation Review~~ Repealed

R9-22-907. ~~Challenge of Findings~~ Repealed

R9-22-908. ~~Corrective Action Plans~~ Repealed

R9-22-909. ~~Annual Assessment Period Report~~ Repealed

ARTICLE 9. QUALITY CONTROL Repealed

R9-22-901. General Information Repealed

- A. ~~This Article defines the responsibilities, structure, and requirements of the Medicaid Eligibility Quality Control program (MEQC) which are further delineated in the Intergovernmental Agreement (IGA) under A.R.S. § 36-2903.01 between the Administration and the Department.~~
- B. ~~The Administration conducts MEQC activities to:~~
 - 1. ~~Determine the Department's compliance with the IGA,~~
 - 2. ~~Prevent or detect an eligibility error, and~~
 - 3. ~~Determine compliance with performance measures.~~
- C. ~~The Administration shall select cases, under Sections R9-22-903 through R9-22-905, for review on a monthly basis from eligibility determinations made in the previous month within each six month review period. Each six month review period sample will be statistically valid at 95 percent confidence level on a statewide or district basis in accordance with AHCCCS' Quality Control Redesign Pilot as approved by CMS.~~

R9-22-902. Pre-Determination Quality Control (PDQC) Repealed

- A. ~~The Department shall screen Title XIX applications, provide PDQC referrals to the Administration, and comply with the PDQC requirements.~~
- B. ~~The Administration may conduct a case review prior to a determination of eligibility in order to avoid an error and prevent fraud.~~
- C. ~~The Department shall compare the Administration's review findings with information received during and after an interview under Article 14 and with previous applications to determine whether or not an individual or family is eligible based on a preponderance of evidence.~~

R9-22-903. Random Sample Repealed

- A. ~~The Administration shall select a case from a statistically valid random sample of all cases approved or active for Title XIX during a review period, conduct a case review, and issue a Notice of Finding to the Department.~~
- B. ~~The Administration may stratify cases by district.~~

R9-22-904. Targeted Sample Repealed

- ~~A. The Administration may conduct a targeted case review based on specific criteria and issue a Notice of Finding to the Department.~~
- ~~B. The Administration shall select a sample for a targeted review either on a random basis or on an individual case basis. The criteria may be by case characteristics, individual office or district, or other criteria determined by the Administration.~~

R9-22-905. Negative Case Action Sample Repealed

- ~~A. The Administration shall select a case from a statistically valid random sample of all cases denied or discontinued from Title XIX during a review period, conduct a case review, and issue a Notice of Finding to the Department.~~
- ~~B. The Administration may stratify cases by district.~~

R9-22-906. Management Evaluation Review Repealed

- ~~A. The Administration shall perform a Management Evaluation Review of the Department under A.R.S. § 36-2903.01 to determine whether the performance measures are being met and include any findings in the Summary Report to the Department. No less than 12 Department eligibility sites will be reviewed annually.~~
- ~~B. The Management Evaluation Reviews may include:
 - 1. Interviews with applicants, members and Department staff,
 - 2. Observation of local office practices,
 - 3. Reviews of notices sent to an applicant and a member,
 - 4. Reviews of pre-enrollment procedures,
 - 5. Other areas of the eligibility process for which the Department is responsible,
 - 6. The eligibility appeal process, or
 - 7. Interviews with department staff located in or staff employed by Federally Qualified Health Centers and Level One Trauma Centers to identify any barriers, including sufficient staffing, that delay the processing of applications.~~

R9-22-907. Challenge of Findings Repealed

- ~~A. Challenge Process.
 - 1. The Department may challenge the Administration's error finding under R9-22-903 through R9-22-905 by submitting a written challenge to the Administration. The Administration shall receive the challenge no~~

~~later than 15 days from the date of the Notice of Finding. The date of the Notice of Finding is the date the Notice is mailed.~~

- ~~2. The Department shall include evidence that refutes an error finding. The Department may include in its written challenge evidence obtained after the date of the Notice of Finding.~~
- ~~3. The Administration's finding shall be final if the Department fails to submit a challenge under the time-frame in subsection (A)(1).~~

~~B. Administration Decision.~~

- ~~1. The Administration shall review, within 30 days of receipt, the Department's challenge of an error finding and either uphold or overturn a finding.~~
- ~~2. The Administration shall overturn an error finding if a preponderance of the evidence establishes that the Department's decision was not an error.~~
- ~~3. The Administration shall not consider a case an error in calculating the Department's error rate under R9-22-909(A) if the Administration overturns a finding.~~
- ~~4. The Department may file a grievance under Article 8 concerning the Administration's decision.~~

R9-22-908. Corrective Action Plans Repealed

- ~~A. The Administration shall issue a Summary Report to the Department following the completion of each review period.~~
- ~~B. The Department shall prepare and implement a corrective action plan if the Summary Report identifies an error rate greater than the tolerance level either statewide or by district or the Department fails to meet the performance measures delineated in the IGA.~~
- ~~C. The Department shall prepare, submit, and implement an effective corrective action plan for the Administration's finding under R9-22-906 when an office does not meet a level of compliance.~~

R9-22-909. Annual Assessment Period Report Repealed

~~The Administration shall issue an Annual Assessment Period Report. This report shall:~~

- ~~1. Serve as notification to the Department of the annual error rate determined for the Random Sample, Targeted Sample and Negative Case Action Sample,~~
- ~~2. Compare the error rate with the tolerance level for each sample, and~~

3. ~~Serve as notification to the Department of a disallowed error rate and applicable financial sanction under A.R.S. § 36-2903.01.~~